

TRANSPORTATION DEPARTMENT[761]

Notice of Intended Action

Proposing rule making related to motor vehicle registration and certificates of title and providing an opportunity for public comment

The Transportation Department hereby proposes to amend Chapter 400, “Vehicle Registration and Certificate of Title,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is proposed under the authority provided in Iowa Code sections 307.12, 321.20, 321.34 and 435.26B.

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code sections 321.19, 321.20, 321.25, 321.34, 321.37, 321.50, 321.103, 321.126, 321.129, 321.170, 435.26B and 554D.103(8).

Purpose and Summary

This proposed rule making relates to the vehicle registration and certificate of title process and aligns with existing legal authority and Department practice. It also eliminates outdated or irrelevant requirements or options and accommodates modern electronic procedures and terminology. The following paragraphs describe the specific proposed amendments:

Contiguous county registration. The proposed amendments add a new definition of “contiguous county” and update the rules addressing where an applicant shall apply for vehicle registration and title to conform with Iowa Code section 321.20(4), which requires the Department to implement a process that allows a person to register and title a vehicle in a county that is contiguous to the person’s county of residence.

Electronic lien and title. The proposed amendments add a new definition of “electronic lien and title” or “ELT” as well as a new rule about ELT, which is a system that facilitates the electronic security interest process intended in Iowa Code section 321.50(4). The proposed rule aligns with the current Department practice of providing a security interest holder with an electronic record of a title when a security interest has been delivered to the Department by electronic means.

Registration products and plates for exempt vehicles. The proposed amendments update the general provisions for issuing vehicle registration and a certificate of title to identify all the products that are distributed during the registration transaction, namely, the vehicle registration, certificate of title, receipt, validation sticker and license plates. The amendments also add new subrule 400.2(10), which conforms with the current Department practice for issuing registration plates to exempted vehicles, including issuing regular registration plates to certain eligible agencies under Iowa Code section 321.19(1)“c.”

Title and registration application and supporting documents. The proposed amendments update the rules related to vehicle registration and title application requirements and supporting documents as follows:

- Specify that if there are two or more owners of a vehicle, all owner signatures are required on the application.
- Comply with existing Department practice of requiring a lessor to include the leasing number on the application for a leased vehicle, if applicable.
- Update the rules to encompass the use of electronic registration and titling (ERT) by a dealer when delivering a vehicle to another dealer for sale to a customer. This change is meant to address the way the rule currently reads, which makes it appear to allow use of ERT only when the dealer is selling

a vehicle directly to a customer. This will allow flexibility in the submission process for the vehicle owner's written authorization.

- Align with the current Department practice of comparing the security interest listed on the certificate of title with the security interest listed on the reverse side of the manufacturer's certificate of origin (MCO) and more accurately reflecting Iowa Code, which allows a final-stage vehicle manufacturer to assign an incomplete MCO to retail buyers.

- Clarify that a signature, unless otherwise specified, includes an ink signature or an electronic signature, which also aligns with the new definition of signature included in this rule making.

Bonded titles. The proposed amendments update the bonded title process rules to align with current Department practice and provide further detail as to what steps the Department will take if an owner of record or security interest is found during a records search for a vehicle subject to the bonded title process.

Temporary registration. The proposed amendments update the rule governing temporary use of a vehicle without license plates or a registration card to align with Iowa Code section 321.25, which states a person may operate a vehicle with a temporary registration for 45 days from the date the vehicle was delivered, rather than the date when the vehicle was purchased.

Voluntary contributions to anatomical gift fund. The proposed amendments address voluntary contributions made to the Anatomical Gift Public Awareness and Transplantation Fund during a vehicle registration transaction to clarify that funds are transferred monthly rather than quarterly.

Manufactured or mobile homes. The proposed amendments update the rule encompassing certificate of title requirements in a situation where a manufactured or mobile home is converted to or from real property to align with the Iowa Code and Department of Revenue rules addressing the scenarios that can occur at the time of conversion. Specifically, the amendments address what the secured party, owner, assessor, or county treasurer should do in each of those scenarios. Ensuring that a proper initial conversion process is followed will help streamline the reconversion process. Also, new subrule 400.40(3) is proposed to conform the rules with Iowa Code section 435.26B. The proposed subrule outlines the current Department practice of utilizing Form 411186 when an owner is surrendering a certificate of title for a manufactured or mobile home, and it sets a records search fee of \$5 as authorized by Iowa Code section 435.26B.

Fee refunds and credits. The proposed amendments update the rule related to fee refunds and credits to allow a statement of nonuse to be used for vehicles registered under the International Registration Plan pursuant to Iowa Code chapter 326. In addition, these amendments align the refund process for annual registration fees with the requirements set forth in Iowa Code section 321.126, and they also outline how the Department will round credits in the uncommon scenario where a customer may be receiving credit from two registration years.

Notice of vehicle registration suspension or revocation. The proposed amendments more clearly outline the notice requirements when issuing a vehicle registration suspension or revocation, including specifying the basis for the suspension or revocation and providing information regarding how a person subject to suspension or revocation may come back into compliance and have the suspension or revocation lifted.

License plate stickers and surrender of plates. The proposed amendments update the rules addressing license plate stickers to clarify that because of the design of the "flying our colors" license plate, a person with that plate who also has a persons with disabilities sticker or special truck sticker must affix the sticker to the lower left corner of the plate rather than the lower right corner so as to not obscure the plate text. These amendments also update the rule related to disposal of surrendered registration plates by requiring the county treasurer to return surrendered plates to Iowa Prison Industries rather than destroy the plates, which will help ensure credit is received for the returned plates.

Fiscal Impact

This rule making has minimal fiscal impact to the State of Iowa. The \$5 fee for the Department to complete the records search required to process the affidavit in lieu of surrender of title for mobile

homes under subrule 400.40(3) will impact approximately 15 transactions per year, and will result in approximately \$75 (15 x \$5) of additional funds being deposited into the Road Use Tax Fund annually.

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 761—Chapter 11.

Public Comment

Any interested person may submit written comments concerning this proposed rule making or may submit a written request to make an oral presentation at a public hearing. Written comments or requests to present oral comments in response to this rule making must be received by the Department no later than 4:30 p.m. on March 1, 2022. Comments should be directed to:

Tracy George
Department of Transportation
DOT Rules Administrator, Government and Community Relations
800 Lincoln Way
Ames, Iowa 50010
Email: tracy.george@iowadot.us

Public Hearing

If requested, a public hearing to hear oral presentations will be held on March 3, 2022, via conference call at 9 a.m. Persons who wish to participate in the conference call should contact Tracy George before 4:30 p.m. on March 1, 2022, to facilitate an orderly hearing. A conference call number will be provided to participants prior to the hearing.

Persons who wish to make oral comments at the public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rule making.

Any persons who intend to attend the public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact Tracy George and advise of specific needs.

The public hearing will be canceled without further notice if no oral presentation is requested.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rule-making actions are proposed:

ITEM 1. Amend rule **761—400.1(321)**, parenthetical implementation statute, as follows:

761—400.1(321,322,544) Definitions.

ITEM 2. Adopt the following **new** definitions of “Contiguous county,” “Electronic lien and title” and “Signature” in rule **761—400.1(321)**:

“*Contiguous county*” means any county in Iowa that directly borders an adjacent Iowa county, including sharing a common corner or corners.

“*Electronic lien and title*” or “*ELT*” means an information technology system authorized by the department for the purpose of providing an electronic record of the certificate of title to a security interest holder in order to subject a vehicle to an electronic lien and to allow for the submission and receipt of forms related to security interests through electronic means as described in Iowa Code section 321.50.

“*Signature*,” unless otherwise specified, shall include a signature in ink or an electronic signature as provided in Iowa Code section 554D.103(9). A requirement to sign a document unless otherwise specified shall allow for a signature in ink or an electronic signature.

ITEM 3. Amend rule **761—400.1(321)**, definition of “Manufacturer’s certificate of origin,” as follows:

“*Manufacturer’s certificate of origin*” means a certification signed by the manufacturer, distributor or importer that the vehicle described has been transferred to the person or dealer named and that the transfer is the first transfer of the vehicle in ordinary trade and commerce.

1. and 2. No change.

3. For 1992 and subsequent model year vehicles, the form used for manufacturers’ certificates of origin shall be the universal form adopted in 1990 by the American Association of Motor Vehicle Administrators (AAMVA). This requirement does not apply to trailer-type vehicles. A copy of this universal form may be obtained from the motor vehicle and motor carrier services bureau division at the address in subrule 400.6(1).

ITEM 4. Amend rule **761—400.1(321)**, implementation sentence, as follows:

This rule is intended to implement Iowa Code chapter 554D and sections 321.1, 321.8, 321.20, 321.23, 321.24, 321.40, 321.45, 321.50, 321.116, 321.117, 321.123, 321.134, 321.157 and 322.2.

ITEM 5. Amend rule 761—400.2(321) as follows:

761—400.2(321,322) Vehicle registration, and certificate of title, receipt, validation sticker and registration plates—general provisions.

400.2(1) No change.

400.2(2) *Vehicles exempt from titling or registration.* A certificate of title shall not be issued for a vehicle which is exempt from the titling or registration provisions of Iowa Code chapter 321, unless issuance of a certificate of title is specifically authorized in Iowa Code chapter 321 or as provided in 761—Chapter 410.

400.2(3) *Issuance of a certificate of title, receipt, validation sticker and registration plates upon payment of registration fees.* Except as otherwise provided in Iowa Code chapter 321 or this chapter of rules, the current year registration fee and any delinquent registration fees and penalties, if any, shall be paid prior to issuance of a certificate of title, receipt, validation sticker and registration plates.

400.2(4) to 400.2(9) No change.

400.2(10) *Plates for exempted vehicles.* Upon application, the department shall issue plates for exempted vehicles under subrules 400.2(5), 400.2(6) and 400.2(8) in accordance with the requirements in Iowa Code sections 321.18, 321.19, 321.22 and 321.170, as applicable, and this chapter. As authorized by Iowa Code sections 8A.361 and 8A.362(7), the Iowa department of administrative services may order the issuance of regular registration plates for exempted vehicles assigned to the Iowa department of administrative services. The following process applies to regular registration plates issued to an exempted vehicle under Iowa Code section 321.19(1)“c”:

a. The requesting agency under Iowa Code section 321.19(1)“c,” other than the Iowa department of administrative services, shall file an application with the department in the form and manner prescribed by the department and shall certify the authorized purpose for which issuance of the registration plates for an exempted vehicle is requested.

b. The Iowa department of administrative services or the department may order the issuance of regular registration plates for exempted vehicles as authorized by Iowa Code section 321.19(1)“c.” The plates shall be assigned to a specific vehicle. The requesting agency shall notify the department within ten days of assigning the plate to another vehicle.

c. In accordance with Iowa Code section 321.19, the department shall maintain separate records of regular registration plates issued to exempted vehicles, which shall be available in a manner that allows law enforcement and other persons authorized by Iowa Code section 321.11(3) to query vehicle and owner information by the registration plate number.

d. If a vehicle to which regular registration plates are assigned under this subrule is no longer used for an exempted purpose, the requesting agency shall surrender the plates to the department and the department shall cancel the plates. The department may revoke the plates and require the agency to surrender the plates pursuant to Iowa Code section 321.103 if the department determines use of the plates is no longer authorized.

This rule is intended to implement Iowa Code sections 321.18 ~~to~~ through 321.22, 321.24, 321.34, 321.103, 321.123, 321.170 and 322C.2(19).

ITEM 6. Amend subrule 400.3(10) as follows:

400.3(10) Signature of applicant. The owner shall sign the application form ~~in ink, unless submitted electronically.~~ If there are two or more owners, all owner signatures are necessary.

ITEM 7. Amend subrule 400.3(14) as follows:

400.3(14) Leased vehicle. As required by Iowa Code section 423.26, the lessor shall list the lease price of the vehicle and the lessor's leasing number, if applicable, on the application form.

ITEM 8. Amend paragraph **400.3(17)**“k” as follows:

k. An end user that is a motor vehicle dealer licensed by the department under Iowa Code chapter 322 or 322C and that electronically submits an application on behalf of the ~~person~~ owner or owners to whom the dealer is transferring or delivering the vehicle shall disclose to ~~the person~~ all owners or, if there is more than one owner and the title application uses “or” between the names of the owners, at least one owner, that the application will be submitted electronically and shall obtain ~~the person's~~ written authorization from all owners, or if there is more than one owner and the title application uses “or” between the names of the owners, written authorization from at least one owner, to submit the application on the ~~person's~~ owner's behalf. The written authorization shall be retained at the motor vehicle dealer's principal place of business for a period of six months from the date of application and shall be available for inspection by the department at the department's request. The motor vehicle dealer shall also review with and disclose to the ~~person~~ owner or owners all details of the application, before submitting the application, and shall provide a complete, true, and accurate copy of the application to the ~~person~~ owner or owners immediately after submitting the application. The written authorization shall be submitted ~~electronically as a scanned document with the electronic application~~ in the form and manner required by the department.

ITEM 9. Amend subrule 400.4(1) as follows:

400.4(1) New vehicle. If application is made for a new vehicle, a manufacturer's certificate of origin, properly assigned to the applicant, shall be submitted. A manufacturer's certificate of origin shall not be accepted if the assignment to the applicant is made by any person other than the manufacturer, importer or distributor, a licensed motor vehicle dealer franchised to sell that line-make of vehicle, or a final-stage manufacturer motor vehicle dealer licensed under rule 761—425.11(322).

a. No change.

b. An uncanceled security interest noted on the reverse side of a manufacturer's certificate of origin (MCO) shall be noted as a separate security interest on the certificate of title, in addition to any security interest acknowledged by the applicant, unless the applicant ~~indicates in the security interest area on the title application that~~ the security interest acknowledged by the applicant is the same as the one noted on the reverse side of the MCO.

c. No change.

d. If a final-stage manufacturer is a motor vehicle dealer licensed under rule 761—425.11(322), the final-stage manufacturer may reassign the original manufacturer's certificate of origin or an incomplete or intermediate MCO to the retail buyer.

ITEM 10. Amend rule 761—400.5(321) as follows:

761—400.5(321) Where to apply for registration or certificate of title.

400.5(1) Except as otherwise provided, application for the registration of a vehicle or a certificate of title for a vehicle, or transfers thereof, shall be made to the county treasurer as described in Iowa Code chapter 321, including, when applicable, the county treasurer of a contiguous county to the county designated for the owner under Iowa Code section 321.20(1) for registration and issuance of a certificate of title. When none of the primary users of a non-resident-owned vehicle are located in Iowa, the vehicle may be registered by the county treasurer of any county.

400.5(2) Application shall be made to the department's motor vehicle ~~and motor carrier services bureau division~~ for the following:

a. to *g.* No change.

400.5(3) Application for a certificate of title for a vehicle subject to apportioned registration under Iowa Code chapter 326 may be made to either the county treasurer or to the department's motor vehicle ~~and motor carrier services bureau division~~.

400.5(4) Application for apportioned registration shall be made to the department's motor vehicle ~~and motor carrier services bureau division~~. See 761—Chapter 500.

This rule is intended to implement Iowa Code sections 321.18 ~~to~~ through 321.23, 321.46(2), and 321.170.

ITEM 11. Amend subrule 400.6(1) as follows:

400.6(1) Information and forms for vehicle registration, certificate of title, or other procedures covered under Iowa Code sections 321.18 ~~to through~~ 321.173 may be obtained from the county treasurer or by mail from the Motor Vehicle and Motor Carrier Services Bureau Division, Iowa Department of Transportation, P.O. Box 9278, Des Moines, Iowa 50306-9278; in person at Iowa Department of Transportation, 6310 SE Convenience Blvd., Ankeny, Iowa 50021; by telephone at ~~(515)237-3264~~ (515)237-3110; or on the department's website at www.iowadot.gov.

ITEM 12. Amend subrule 400.13(1) as follows:

400.13(1) Procedures. This subrule describes the procedures to be followed to obtain a “bonded” certificate of title. The procedures described are in addition to the regular procedures for titling and registering a vehicle.

a. The applicant shall submit a bond application to the motor vehicle ~~and motor carrier services bureau division~~ on a form prescribed by the department. The application shall be accompanied by evidence of ownership of the vehicle.

b. The department shall search the state files to determine if there is an owner of record or security interest for the vehicle and if the vehicle has been reported stolen or embezzled.

(1) ~~If a an owner of record is found, the applicant shall complete a request for release of personal information form explaining that the applicant is the current owner and is requesting a duplicate title.~~ The department shall mail the a release letter by first-class mail to the owner of record, at the owner's last-known address. The release letter shall notify the owner of the right to claim ownership of the vehicle or to waive all rights or claims.

(2) If the owner of record makes a claim, a motor vehicle investigator shall review the claim.

~~(2) (3)~~ (3) If the department receives no response from the owner of record within ten days after the date of mailing or the owner of record does not want the owner's personal information released, the owner of record waives all rights or claims; or if the letter is returned as undeliverable, the department will shall continue processing the bond application.

(4) If one or more security interests are found and can be identified, the department shall send a certified letter and application for cancellation of security interest to a lienholder to the last known address of that lienholder. If a lienholder releases the lien, the department shall continue to process the application. If a lienholder responds with a request to claim the vehicle, the department will review the claim. If the certified letter is returned as undeliverable, the department shall continue to process the application.

(5) If one or more security interests is found but a lienholder cannot be identified because the record is held by another jurisdiction, the department shall return the application to the applicant and inform the applicant which jurisdiction holds the record(s) to the vehicle.

c. to e. No change.

ITEM 13. Amend paragraph **400.16(2)“a”** as follows:

a. The applicant shall apply to the county treasurer for a certificate of title and registration, including, when applicable, the county treasurer of a contiguous county to the county designated for the owner under Iowa Code section 321.20(1) for registration and issuance of a certificate of title. The county treasurer, upon receiving an application that indicates the vehicle is a specially constructed, reconstructed, street rod or replica motor vehicle, shall forward the application to a motor vehicle investigator of the department.

ITEM 14. Amend rule 761—400.19(321) as follows:

761—400.19(321) Temporary use of vehicle without plates or registration card.

400.19(1) No change.

400.19(2) Temporary use of vehicle without registration card. A person who acquires a vehicle which is currently registered or in a dealer’s inventory at the time of sale and who has possession of plates which may be attached to the vehicle acquired may operate or permit the operation of the vehicle not to exceed 45 days from the date of ~~purchase~~ delivery or transfer without a registration card, if ownership evidence is carried in the vehicle.

400.19(3) No change.

This rule is intended to implement Iowa Code sections 321.25,~~321.33~~ and 321.46.

ITEM 15. Amend rule 761—400.26(321) as follows:

761—400.26(321) Anatomical gift. Voluntary contributions collected by the county treasurer or the department to the anatomical gift public awareness and transplantation fund shall be in whole dollar amounts. The county treasurer and the department shall remit contributions collected ~~to the department of public health quarterly~~ monthly to the funds specified in Iowa Code section 321.44A.

This rule is intended to implement Iowa Code section 321.44A.

ITEM 16. Amend rule 761—400.40(321) as follows:

761—400.40(321) Manufactured or mobile home converted to or from real property.

400.40(1) Conversion to real property. When a manufactured or mobile home is converted to real property under Iowa Code section 435.26, ~~the assessor shall collect its vehicle certificate of title.~~ the process shall be as follows:

a. If a security interest is noted on the title and the secured party is given a mortgage for the land on which the home is located, the assessor shall collect the certificate of title as provided in rule 701—74.5(435).

b. If a security interest is noted on the title and the secured party is not given a mortgage for the land on which the home is located, the secured party shall retain the certificate of title as provided in Iowa Code section 435.26. At the time the security interest is released, the secured party may surrender the certificate of title to the county treasurer, who shall cancel the title as converted to real estate and destroy the title.

c. If there is no security interest noted on the title, the owner shall surrender the certificate of title to the assessor. The assessor shall note the conversion on the face of the certificate of title above the assessor’s signature, date the notation and deliver the title to the county treasurer. The county treasurer shall note the conversion on the vehicle record and then cancel the title as converted to real estate and retain ~~destroy~~ the certificate of title.

d. If the assessor identifies in the county records a security interest no longer exists that would prevent the title to the home and the title to the land to merge under Iowa Code section 435.26 and the county treasurer verifies there is no lien on the certificate of title, the title to the home and the title to the

land shall merge, and the county treasurer shall cancel the title as converted to real estate and destroy the certificate of title.

400.40(2) No change.

400.40(3) *Affidavit for surrender of certificate of title.*

a. As provided in Iowa Code section 435.26B, an owner may effectuate a surrender of the certificate of title by recording with the county recorder Form 411186 if all of the following requirements are met:

(1) There is no record that a certificate of title has been issued or surrendered for a manufactured or mobile home that is located outside a manufactured home community or mobile home park.

(2) The manufactured home or mobile home has been converted to real estate by being placed on a permanent foundation.

(3) The manufactured or mobile home is entered on the tax rolls.

b. The fee for the duties performed by the department pursuant to Iowa Code section 435.26B(1) “i”(2) shall be \$5.

This rule is intended to implement Iowa Code sections 321.1, 435.1, 435.26, 435.26A, 435.26B and 435.27.

ITEM 17. Amend subrule 400.44(5) as follows:

400.44(5) *Statement of nonuse.* If the owner of a vehicle, on which the registration fees have not been paid for more than three complete registration years, certifies to the county treasurer of the owner’s residence, or to the department in a form and manner prescribed by the department if a vehicle is registered under Iowa Code chapter 326, that the vehicle has not been moved or operated upon the highway since the year it was last registered, ~~the county treasurer may register~~ the vehicle may be registered upon payment of the current year’s registration fee.

ITEM 18. Amend subrule 400.45(1) as follows:

400.45(1) The department shall suspend or revoke registration and plates under Iowa Code section 321.101 when a written request is received from a peace officer or the county treasurer’s office that issued the registration ~~and~~ or plates.

a. The notice of suspension or revocation shall contain the following:

(1) The basis of the request for suspension or revocation.

(2) Information regarding how the person may satisfy the violation and have the suspension or revocation removed, if applicable.

(3) Information notifying the person of the right to appeal the suspension or revocation in accordance with rule 761—400.56(321).

~~*b.*~~ A request from a peace officer shall be submitted on a form prescribed by the department.

~~*c.*~~ A request from a county treasurer’s office shall be signed by the county treasurer or designee.

ITEM 19. Amend rule 761—400.50(321,326) as follows:

761—400.50(321,326) Refund of registration fees.

400.50(1) *Vehicles registered by county treasurer.*

a. The department shall refund annual registration fees for vehicles registered by the county treasurer pursuant to Iowa Code section 321.126.

b. ~~A claim for refund shall be made on a form prescribed by the department.~~ Except as provided in Iowa Code section 321.126, ~~the claim may be submitted~~ the owner may submit a claim for refund to the county treasurer’s office in any county.

c. and *d.* No change.

e. If the claim for refund is for excess credit or no replacement vehicle:

(1) No change.

(2) The claim for refund shall be approved or denied by the motor vehicle ~~and motor carrier services bureau~~ division.

f. ~~All~~ The county treasurer shall forward all other claims for refund ~~shall be forwarded~~ to the motor vehicle ~~and motor carrier services bureau~~ division for processing in the form and manner prescribed by the department.

400.50(2) Vehicles registered by the department. Forms and instructions for claiming a refund on apportioned registration fees under Iowa Code section 326.15 may be obtained from the motor vehicle and motor carrier services bureau division at the address in subrule 400.6(1). The claim for refund shall be filed at the same address.

This rule is intended to implement Iowa Code sections 25.1, ~~321.126 to 321.128~~ 321.126 through 321.129 and 326.15.

ITEM 20. Amend rule 761—400.53(321) as follows:

761—400.53(321) Stickers.

400.53(1) and 400.53(2) No change.

400.53(3) Persons with disabilities parking sticker. A persons with disabilities special registration plate parking sticker shall be affixed to the lower right corner of the rear registration plate. A flying our colors plate sticker shall be affixed to the lower left corner of the rear registration plate and above the validation sticker to allow for full view of all numerals and letters printed on the plate pursuant to Iowa Code section 321.37.

400.53(4) Special truck sticker. An owner of a special truck, registered pursuant to Iowa Code section 321.121, who has been issued either regular registration plates or special registration plates other than special truck registration plates must obtain from the county treasurer a sticker which distinguishes the vehicle as a special truck. The sticker shall be affixed to the lower right corner of the rear registration plate. EXCEPTION: If the vehicle displays front and rear plates, two stickers shall be issued with one sticker affixed to the lower right corner of the front plate and rear plate. For natural resources plates and flying our colors plates, the stickers must be affixed to the lower left corner of the front and rear plates.

This rule is intended to implement Iowa Code sections 321.34, 321.37, 321.40, 321.41, 321.121 and 321.166.

ITEM 21. Amend rule 761—400.56(321) as follows:

761—400.56(321) Hearings. The department shall send notice by certified mail to a person whose certificate of title, vehicle registration, license, or permit is to be revoked, suspended, canceled, or denied. The notice shall be mailed to the person's mailing address as shown on departmental records and shall become effective 20 days from the date mailed. A person who is aggrieved by a decision of the department and who is entitled to a hearing may contest the decision in accordance with 761—Chapter 13. The request shall be submitted in writing to the director of the motor vehicle and motor carrier services bureau division at the address in subrule 400.6(1). The request for a contested case shall be deemed timely submitted if it is delivered or postmarked on or before the effective date specified in the notice of revocation, suspension, cancellation, or denial.

This rule is intended to implement Iowa Code sections 17A.10 ~~to~~ through 17A.19, 321.101 and 321.102.

ITEM 22. Amend rule 761—400.60(321) as follows:

761—400.60(321) Credit of registration fees.

400.60(1) and 400.60(2) No change.

400.60(3) Credit from/to apportioned registration.

a. No change.

b. Pursuant to Iowa Code sections 321.126 and 321.127, the owner or lessee of a motor vehicle may claim credit for the apportioned registration fees due when changing the vehicle's registration from registration by the county treasurer to apportioned registration. Application for apportioned registration

shall be submitted to the department's motor vehicle and motor carrier services bureau division; see 761—Chapter 500.

400.60(4) No change.

400.60(5) Rounding. If credit from two registration years or two registration fees, or some combination of both, is available, the credits shall first be added together, then it shall be determined whether the sum meets the minimum required under Iowa Code section 321.46(3) “c,” and then the sum shall be rounded to the nearest whole dollar.

This rule is intended to implement Iowa Code sections 321.46, 321.46A, 321.48, 321.116, 321.117, 321.126 and 321.127.

ITEM 23. Amend rule 761—400.63(321) as follows:

761—400.63(321) Disposal of surrendered registration plates. The county treasurer shall ~~either destroy~~ return plates that have been surrendered to the county treasurer ~~or return the surrendered plates to Iowa state prison industries for recycling.~~

This rule is intended to implement Iowa Code sections 321.5 and 321.171.

ITEM 24. Adopt the following new rule 761—400.72(321):

761—400.72(321) Electronic lien and title.

400.72(1) The department may authorize the use of an electronic lien and title (ELT) system to provide an electronic record of the certificate of title to a security interest holder, to subject a vehicle to an electronic lien, and to allow for the submission and receipt of forms related to security interests through electronic means.

a. The department shall authorize ELT providers for transmission of vehicle data, title data and forms necessary to process security interest transactions through electronic means. The department may establish application forms and approval processes as necessary for ELT providers.

b. The department may authorize an ELT lender to participate in the ELT system if the ELT lender has first established a service relationship with an authorized ELT provider. The department may establish application forms and approval processes as necessary for ELT lenders.

400.72(2) For each individual transaction, an authorized ELT lender may choose to use either the ELT process or the paper security interest process as provided in Iowa Code section 321.50 and rules 761—400.8(321) and 761—400.10(321).

400.72(3) If a security interest is released through ELT and there are no other secured parties, but the ELT lender does not request a paper title to be printed and provided to the owner, or the ELT lender does not otherwise provide a paper title to the owner, then the owner of the vehicle may apply to the county treasurer or the department for a certificate of title to be printed and provided to the owner by submitting an application form in the form and manner prescribed by the department.

a. If there is more than one owner of the vehicle, any owner may apply to the department or the county treasurer, as applicable, for the certificate of title to be printed and provided to whomever the owner specifies.

b. If an owner is deceased, the signatures and documents specified in subrules 400.14(4) and 400.14(5) shall be required. A person entitled to vehicle ownership under the laws of descent and distribution shall sign the required forms and shall insert the words “heir at law” following the signature on the application form.

This rule is intended to implement Iowa Code section 321.50.